



June 26, 2006

Kami Griffin, Supervising Planner
San Luis Obispo County Planning and Building Department
County Government Center
San Luis Obispo, CA 93408

SUBJECT: APCD Comments Regarding the Initiative Measure - Dalidio Ranch Project

Dear Ms. Griffin,

Thank you for including the San Luis Obispo County Air Pollution Control District (APCD) in the environmental review process. We have completed our review of the proposed project adjacent to the Madonna Shopping Plaza in San Luis Obispo. An initiative petition has been submitted by the project proponent to amend the County of San Luis Obispo General Plan and Zoning Ordinances to allow for development of the Dalidio Ranch Project. The development proposed includes 530,000 square feet of commercial or retail space, open space and recreational facilities, an organic agricultural farm, a maximum of 60 multifamily residential units, 150 room hotel, 198,000 square feet of office space, and community facilities including storm water, water reuse and waste water facilities. The following are APCD comments that are pertinent to this project.

GENERAL COMMENTS

Based on the APCD current assessment of the Initiative Measure it appears that the air quality impacts associated with the project are similar to the air quality impacts assessed in the Draft Environmental Impact Report for the Dalidio/San Luis Market Place Annexation and Development Project dated January 2004. **In order to adequately mitigate the air quality impacts from the project to a level of insignificance, the APCD recommends inclusion of the construction and operational mitigation measures as outlined below in the Initiative Measure.**

As a commenting agency in the California Environmental Quality Act (CEQA) review process for a project, the APCD assesses air pollution impacts from both the construction and operational phases of a project, with separate significant thresholds for each. **Please address the action items contained in this letter that are highlighted by bold and underlined text.**

CONSTRUCTION PHASE MITIGATION

Under the Condition of Approval (COA) regarding construction activities the APCD has the following comments.

1. COA# 23, d. Catalyzed diesel particulate filters will be required on the construction equipment. The text in COA #23 d. should be replaced with **Prior to any work beginning, install ten (10) diesel oxidation catalysts (DOC), or two (2) catalyzed diesel particulate filters (CDPF) on the construction equipment that shall generate the greatest emissions.**

The construction company awarded the contract shall contact the APCD Planning Division (805-781-5912) at least 3 months prior to the start of construction to coordinate the implementation of this air quality mitigation measure. This company will also provide the APCD with proof that APCD approved BACT has been implemented prior to the start of construction activity.

2. COA#23, (i) – The APCD no longer recommends the use of Caterpillar pre-chamber diesel engines. This condition should be removed.

3. **The following mitigation measures should be added to COA #23. All on and off-road diesel equipment shall not be allowed to idle for more than 5 minutes. Signs shall be posted in the designated queuing areas to remind drivers and operators of the 5 minute idling limit.**

4. **The following text should be added to COA 24, to adequately address the requirements of the Construction Activity Management Plan.**

Develop a comprehensive Construction Activity Management Plan designed to minimize the amount of large construction equipment operating during any given time period. The plan should be submitted to the District for review and approval prior to the start of construction. The plans should include but not be limited to the following elements:

- Schedule construction truck trips during non-peak hours to reduce peak hour emissions;
- Limit the length of the construction work-day period, if necessary; and,
- Phase construction activities, if appropriate.

4. COA#28 - All stockpiles should be watered daily as needed to control dust. Stockpiles should not be left unattended for two day with no dust control.

5. COA# 32 – Fugitive dust from the street sweeping process must be controlled. It is not acceptable to use street sweeper that transfer particulate matter from the street to the air. Therefore, the APCD strongly recommends the use of reclaimed water for street sweeping or some equivalent control method.

6. The following standard dust control measures are recommended by the APCD for all large construction projects (greater than 4 acres). These measures should be added to the COA and included on all grading and construction plans.

- a. Permanent dust control measures identified in the approved project revegetation and landscape plans should be implemented as soon as possible following completion of any soil disturbing activities,
- b. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading should be sown with a fast germinating native grass seed and watered until vegetation is established,
- c. All disturbed soil areas not subject to revegetation should be stabilized using approved

- chemical soil binders, jute netting, or other methods approved in advance by the APCD,
- d. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used.

7. COA #36. - If naturally occurring asbestos is not found at the site the project proponent must request an exemption request from the APCD. The APCD recommends the following language be used for COA #36.

The project site is located in a candidate area for Naturally Occurring Asbestos (NOA), which has been identified as a toxic air contaminant by the California Air Resources Board (ARB). Under the ARB Air Toxics Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations, **prior to any grading activities at the site, the project proponent shall ensure that a geologic evaluation is conducted to determine if NOA is present within the area that will be disturbed. If NOA is not present, an exemption request must be filed with the District (see Attachment 1). If NOA is found at the site the applicant must comply with all requirements outlined in the Asbestos ATCM.** This may include development of an Asbestos Dust Mitigation Plan and an Asbestos Health and Safety Program for approval by the APCD. Please refer to the APCD web page at <http://www.slocleanair.org/business/asbestos.asp> for more information or contact Tim Fuhs of our Enforcement Division at 781-

8. COA #37 - There are additional requirement for demolition activities not discussed in COA #37. The APCD recommends the following language be used for COA #37.

Demolition activities can have potential negative air quality impacts, including issues surrounding proper handling, demolition, and disposal of asbestos containing material (ACM). Asbestos containing materials could be encountered during demolition or remodeling of existing buildings. Asbestos can also be found in utility pipes/pipelines (transite pipes or insulation on pipes). **If utility pipelines are scheduled for removal or relocation; or building(s) are removed or renovated this project may be subject to various regulatory jurisdictions, including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants (40CFR61, Subpart M - asbestos NESHAP).** These requirements include but are not limited to: 1) notification requirements to the District, 2) asbestos survey conducted by a Certified Asbestos Inspector, and, 3) applicable removal and disposal requirements of identified ACM. Please contact Tim Fuhs of the Enforcement Division at 781-5912 for further information.

9. COA #38 - Lead during demolition. Demolition of structures coated with lead based paint are a concern for the APCD. Improper demolition can result in the release of lead containing particles from the site. Sandblasting or removal of paint by heating with a heat gun can result in significant emissions of lead. Therefore, proper abatement of lead before demolition of these structures must be performed in order to prevent the release of lead from the site. Depending on

removal method, an APCD permit may be required. Contact David Dixon from the APCD's engineering division at 781-5912 for more information.

10. The following mitigation measures are standard requirements for all construction projects and should be included in the COA.

a. Developmental Burning

Effective February 25, 2000, **the APCD prohibited developmental burning of vegetative material within San Luis Obispo County.** Under certain circumstances where no technically feasible alternatives are available, limited developmental burning under restrictions may be allowed. This requires prior application, payment of fee based on the size of the project, APCD approval, and issuance of a burn permit by the APCD and the local fire department authority. The applicant is required to furnish the APCD with the study of technical feasibility (which includes costs and other constraints) at the time of application. If you have any questions regarding these requirements, contact Karen Brooks of our Enforcement Division at 781-5912.

b. Construction Permit Requirements

Based on the information provided, we are unsure of the types of equipment that may be present during the project's construction phase. Portable equipment, 50 horsepower (hp) or greater, used during construction activities will require California statewide portable equipment registration (issued by the California Air Resources Board) or an APCD permit. The following list is provided as a guide to equipment and operations that may have permitting requirements, but should not be viewed as exclusive. For a more detailed listing, refer to page A-5 in the District's CEQA Handbook.

- Soil Remediation Activities
- Power screens, conveyors, diesel engines, and/or crushers;
- Portable generators and equipment with engines that are 50 hp or greater;
- IC engines;
- Unconfined abrasive blasting operations;
- Concrete batch plants;
- Rock and pavement crushing;
- Tub grinders; and
- Trommel screens.

To minimize potential delays, prior to the start of the project, please contact David Dixon of the District's Engineering Division at (805) 781-5912 for specific information regarding permitting requirements.

c. Contaminated Soil

Should contaminated soil be encountered during construction activities, the APCD must be notified immediately. Any storage pile of contaminated material must be covered at all times except when soil is added or removed. The following measures shall be implemented:

- Covers on storage piles shall be maintained in place at all times in areas not actively involved in soil addition or removal;
- Contaminated soil shall be covered with at least six inches of packed uncontaminated soil or other TPH –non-permeable barrier such as plastic tarp. No headspace shall be allowed where vapors could accumulate;
- Covered piles shall be designed in such a way to eliminate erosion due to wind or water. No openings in the covers are permitted;
- During soil excavation, odors shall not be evident to such a degree as to cause a public nuisance; and,
- Clean soil must be segregated from contaminated soil.

For further information, contact Karen Brooks of our Enforcement Division at 781-5912.

OPERATIONAL PHASE MITIGATION

For the COA relating to operation phase air quality impacts the APCD has the following comments.

Mixed Use Compatibility

APCD staff would like to commend the project proponents and the County for this project's promotion of mixed used development. When people can walk to nearby stores, parks, and work traffic is reduced and the potential for mass transit use increases. This is consistent with several of the District's land use goals and policies in the Clean Air Plan.

In addition to supporting infill, the APCD also works to assure compatibility of proposed projects with surrounding land uses. In the April 2005, the California Air Resources Board (ARB) issued a guidance document titled *Air Quality and Land Use Handbook* (ARB Handbook). In this document, the relationship between developing sensitive land uses, such as homes, in close proximity to major highways was highlighted as a health concern due to the increased exposure to air pollution and diesel exhaust.

ARB studies show that air pollution levels can be significantly higher within 500 feet (150 meters) of freeways or busy traffic corridors and return to background levels within around 1000 feet (300 meters). In San Luis Obispo County, the Highway 101 corridor has areas that currently exceed the ARB Handbook's daily vehicle mitigation threshold and in the future, it is anticipated that the whole corridor will exceed this threshold. To mitigate health impacts from mobile sources in San Luis Obispo County, the APCD encourages that where feasible, local land use planning agencies and decision makers change their Highway 101 corridor development policies to include the following:

1. Developments within 500 feet of Highway 101 should be restricted to those that are generally less sensitive in nature such as commercial, industrial, retail, passive open space etc. and include trees (particularly immediately adjacent to the highway) to help filter highway vehicle emissions and dust.
2. Proposals that would site a sensitive land use near Highway 101 should include a 500 foot buffer between the highway and the sensitive land use.

3. Should new residential development occur within 500 ft of Hwy 101, disclosure notification should be provided to future owners or tenants informing them of the potential health impacts of living in close proximity to major highways.

Other considerations regarding compatibility issues to keep in mind as individual projects move forward is some uses may not be compatible and could result in potential nuisance problems (i.e. odors and/or dust). Therefore, it is essential that individual uses be carefully evaluated prior to issuance of an APCD use permit. The following uses could be problematic if residential quarters are included in the same building or close proximity to residential units.

- Nail Salons
- Dry-cleaners
- Coffee Roasters
- Gasoline Dispensing Facilities
- Furniture refurbishing/refinishing
- Any type of Spray Paint Operation
- Alcohol fuel production, cotton ginning, wineries, and green material composting (associated with the agricultural component of the project)
- Waste water treatment facilities
- Ready mix concrete operation
- Temporary event (listed under 22.113.047) - depending on the type of event there could be permitting and/or compatibility issues
- Nursery/greenhouse if pesticides or herbicides are used
- Agricultural activities – measures should be incorporated into the initiative that ensures only organic farming practices are used at this location to reduce potential compatibility issues in the future

11. COA #41 - Based on data included in the previously conducted Draft Environmental Impact Report for this project, and the APCD's current assessment of the project as described in the Initiative Measure, the project as proposed will exceed the APCD's CEQA Tier III significance threshold value of 25 ton/yr of nitrogen oxides (NOx), particulate matter (PM10) and reactive organic gases (ROG). Off-site mitigation will be required to adequately reduce the air quality impacts from this project. The monetary amount proposed in the COA for off site mitigations grossly under compensate for the project air quality impacts. Based on the data presented in the DEIR dated January 2004 the total annual emissions of reactive organic gases (ROG), oxides of nitrogen (NOx) and particulate matter (PM) will exceed 107 tons per year. This is 82 tons per year above the Tier III threshold. The current cost effectiveness value used for grant programs is \$14,300/tons of emissions. The amount being proposed would not even cover one ton of emissions from this project. Over the life time of the project (assuming 30 years) the emission from the project will exceed 2,460 tons of ROG, NOx, and PM emissions.

There are many off site emission reduction projects in the San Luis Obispo community that could be implemented to reduce impacts from this project. Fleets operating in and around the

project site are good candidates for retrofit or purchase of cleaner alternative fuel vehicles. Some examples include school buses, waste hauler, and transit buses.

The off-site mitigation amount should be re-calculated to adequately provide compensation for air quality impacts from this project.

Under the possible projects that might be funded with this money the APCD recommends CAO 41 g be removed. Currently another project in the area has funded a Flash Pass program. The Flash Pass program could be extended to include businesses and individuals associated with this project. APCD staff recommends adding in their place a condition that would provide funding for local school districts to purchase cleaner school buses, particulate filter for school buses or provide funding to support existing alternative fuel buses maintenance, replacement equipment and upgrades.

12. In addition to the operational phase mitigation measures listed in the COA the following measures should be included to mitigate on site operational phase impacts.

a. Permit Requirements

The following permit requirement should be included in the COA.

Operational Permit Requirements

Based on the information provided, we are unsure of the types of equipment that may be present at the site. Operational sources may require APCD permits. The following list is provided as a guide to equipment and operations that may have permitting requirements, but should not be viewed as exclusive. For a more detailed listing, refer to page A-5 in the District's CEQA Handbook.

- Gasoline Dispensing Facilities;
- Portable generators and equipment with engines that are 50 hp or greater;
- Chemical product processing and or manufacturing;
- Electrical generation plants or the use of standby generator;
- Food and beverage preparation (primarily coffee roasters);
- Furniture and fixture products;
- Metal industries, fabrication;
- Small scale manufacturing;
- Auto and vehicle repair and painting facilities;
- Dry cleaning;
- Boilers;
- IC Engines;
- Sterilization units(s) using ethylene oxide and incinerator(s);
- Waste water treatment facilities; and
- Ready mix concrete operation.

To minimize potential delays, prior to the start of the project, please contact David Dixon of the District's Engineering Division at (805) 781-5912 for specific information regarding permitting requirements.

As mention above gasoline dispensing facilities will require a District permit. Prior to approval by your agency, the applicant must apply for a Combined Authority to Construct from the District and the San Luis Obispo County Environmental Health Service (EHS). Contact EHS at 781-5544 for a combined application form. A Combined Authority to Construct, issued by EHS, must be obtained by the applicant prior to the start of construction.

In addition, gas stations and other facilities which emit toxic or hazardous air pollutants have the potential to cause increased cancer risk for those who live or work in the surrounding area. The significance of this potential health risk depends upon several factors, including the annual gasoline throughput of the GDF and the location of the receptors. Using this information, the District will run a health-based screening level risk assessment for the facility, following the California Air Pollution Control Officer's Association (CAPCOA) guidelines. Depending on the District's screening risk determination, applicants may be subject to throughput limitations or may be required to submit a more refined Health Risk Assessment. Please have the applicant contact Brian Aunger of our Engineering Division, at 781-5912 to discuss these issues further.

State law requires that the District notify affected parties prior to issuing a permit for any new or modified source of hazardous air contaminants within 1,000 feet of a school (H&SC Section 42301.6).

b. Other on site mitigation measures for the residential component of the project includes:

- Link cul-de-sacs and dead-end streets to encourage pedestrian and bicycle travel.
- Include traffic calming modifications to project roads, such as narrower streets, speed platforms, bulb-outs and intersection modifications designed to reduce vehicle speeds, thus encouraging pedestrian and bicycle travel.
- Provide on-site bicycle parking for multi-family residential developments.
- Build new homes with internal wiring/cabling that allows telecommuting, teleconferencing and telelearning to occur simultaneously in at least three locations throughout the home.

c. Other on site mitigation measures for the commercial component of the project

- Provide on-site bicycle parking. One bicycle parking space for every 10 car parking spaces is considered appropriate.
- Provide preferential carpool and vanpool parking spaces.
- Provide shower and locker facilities to encourage employees to bike and/or walk to work, typically one shower and three lockers for every 25 employees.

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- Provide Transportation Choices Program information centers on alternative transportation modes at the site (i.e. a transportation kiosk). Contact SLO Regional Rideshare for appropriate materials at 541-2277.

Again, thank you for the opportunity to comment on this proposal. If you have any questions or comments, or if you would like to receive an electronic version of this letter, feel free to contact me at 781-5912.

Sincerely,



Melissa Guise
Air Quality Specialist

MAG/sll

cc:

Tim Fuhs, Enforcement Division, APCD
David Dixon, Engineering Division, APCD
Karen Brooks, Enforcement Division, APCD

Attachments:

Naturally Occurring Asbestos Construction & Grading Project - Exemption Request Form.

Guidelines for the Development of a Construction Activity Management Plan.

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